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ARTICLES:

- (1) Comparison between foreign and national security policies in LDP, DPJ manifestos

TOKYO SHIMBUN (Page 2) (Full)
August 26, 2009

During the Cold-War period after the end of World War II, Japan chose the option of depending on the U.S. in protecting itself. The Cold War ended 20 years ago. Japan is now facing new threats, such as international terrorism and nuclear development by North Korea

and Iran. What foreign and security policies should Japan take in such a new international environment? The key lies in distance from the U.S.

The Liberal Democratic Party's (LDP) basic foreign policy is to make Japan-U.S. relations closer. Its policy manifesto for the upcoming House of Representatives election pledges to strengthen the Japan-U.S. alliance and to prepare a structure to enable the two countries to jointly combat threats from North Korea and other countries.

The manifesto notes: "In order to protect Japan from a ballistic missile from North Korea, it should be made possible for Japan to intercept a ballistic missile heading toward its ally, the U.S., or protect U.S. warships under the missile defense (MD) system." The LDP has thus come out with the stance of allowing Japan to invoke the right to collective self-defense to protect the U.S.

Japan has prohibited invoking the right to collective self-defense except for a case of Japan being attacked by enemies. In short, Japan has defined "sole self-defense" as its national policy. Based on this policy, the government has banned the exercise of the right to collective self-defense under its interpretation of the Constitution.

The LDP has called for changing the nation's postwar defense policy and lifting the long-standing ban as part of efforts to deepen cooperation with the U.S.

The manifesto specifies that Japan will continue the Maritime

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Self-Defense Force's (MSDF) refueling mission in the Indian Ocean. Regarding antipiracy efforts in waters off Somalia, it says: "Japan should continue antipiracy efforts in light of international cooperation and national interests." Amid North Atlantic Treaty Organization's (NATO) countries participating in the fight against terrorism, the manifesto underscores the need for Japan to play a reasonable role as the U.S.'s ally.

Prime Minister Taro Aso emphasized: "We are willing to strengthen the foundation of Japan's national security system so that Japan will be able to intercept a ballistic missile heading toward its ally, the U.S."

In contrast, the Democratic Party of Japan (DPJ) is calling for emerging from the current policy of totally depending on the U.S. Its manifesto specifies: "To establish an equal Japan-U.S. relationship, the party will map out a proactive diplomatic strategy." This expression apparently reflects its view that Japan and the U.S. have not had an equal relationship.

Specifically, the DPJ manifesto refers to reviews of the U.S. force-realignment plan agreed on between Japan and the U.S. and of future options for U.S. military bases. In addition, the manifesto proposes establishing an East Asia community, indicating the party's willingness to turn the current unqualified pro-American policy into a multi-polar foreign policy.

Americans concerned have voiced concern, but DPJ President Yukio Hatoyama emphasized: "I will establish a relationship of trust with President Obama." By deepening relations between the leaders of the two countries, Hatoyama aims to obtain U.S. understanding (of his party's policies).

The DPJ however leaves its foreign and national security policies vague in its manifesto.

Hatoyama has said that Japan will end the refueling mission in the Indian Ocean when it expires next January.

The manifesto also makes no reference to the right of collective self-defense. The party just noted in its policy index regarding the MD system: "We will study it in a comprehensive way, taking into account technical possibility, cost-effectiveness and other elements."

With respect to the Japan-U.S. Status of Forces Agreement, the party also tones down the expression "proposal for a revision" to "look into a revision."

On the assumption that it will be taking over the reins of government, the DPJ has begun to a pragmatic policy approach but is apparently attempting to put aside issues over which views are split in the party.

The New Komeito has proposed maintaining the Japan-U.S. alliance in principle. But the party is negative about invoking the right to collective self-defense. The party vows to reduce the defense budget by 500 billion yen over the next five years.

The Japanese Communist Party in its manifesto proposes scrapping the Japan-U.S. military alliance and concluding a friendship treaty with the U.S. in a bid to establish an equal bilateral relationship.

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The Social Democratic Party's manifesto calls for immediately pulling MSDF troops engaged in the refueling mission out of the Indian Ocean. It also lays down a plan to legislate the three nonnuclear principles. It further proposes creating an ombudsman system for SDF officials.

The People's New Party, which is fielding candidates in Okinawa Prefecture, pledges to review the U.S. force realignment plan.

(2) "Seiron" column: Priority is to break away from bureaucrat-controlled cabinet system

SANKEI (Page 7) (Excerpts)
August 27, 2009

Taro Yayama, political commentator

"Basic law" emasculated

The significance of the forthcoming election lies solely in whether the change from a bureaucrat-controlled cabinet system to a parliamentary democracy under which politicians hold the initiative in political administration can be accomplished. This will be the first such political reform since the Meiji era. While Article 41 of the Constitution stipulates that the Diet is the highest organ of state power, in reality, politics has been managed in such a way that the bureaucrats have control even over the legislature. The upcoming general election is supposed to change this system, which can hardly be called a democracy, to the democratic system as stipulated in the Constitution.

The Abe cabinet had begun to take steps to reform the civil service system, and under the Fukuda administration, the "basic law on civil service system reform" was finally enacted, thanks to the efforts of Minister for Administrative Reform Yoshimi Watanabe. This law aims to: (1) eradicate amakudari (golden parachutes); and (2) break away from bureaucrat-controlled politics.

The reason why amakudari has to be eliminated is because special public corporations, independent administrative agencies, and other bodies are created to accommodate bureaucrats who are urged to leave their jobs when they are around 50 years old. At present, a total of 4,500-4,600 such organizations regularly take in 27,000-28,000 retired bureaucrats. These bodies are purely meant to benefit retired career bureaucrats and no consideration is given to whether they are useful to society or if tax money is being spent unnecessarily.

The key to breaking away from bureaucrat-controlled politics is whether the political authorities hold the right to appoint bureaucrats. The "basic law" stipulates the creation of a personnel bureau under the cabinet for unified performance appraisal of some 600 senior officials from all ministries. However, the law has been emasculated due to the Aso cabinet's attempt to please the bureaucrats. A bill on creating the personnel bureau was eventually

scrapped without any serious deliberation.

Difficult to realize local autonomy

I believe that the prospects for civil service reform will be brighter if the Democratic Party of Japan (DPJ) takes over the reins

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of government rather than working with these lousy laws because this party has called for breaking away from bureaucrat-controlled politics and eradicating amakudari vigorously.

President Yukio Hatoyama had once taken a tough stance, declaring that "bureau chiefs who are at odds with the cabinet will all be asked to submit their resignations," but his determination has since been shaken, as illustrated by a recent statement that, "It appears that legally, this will be difficult to do."

Under the present system, the dismissal or demotion of civil servants requires the approval of the National Personnel Authority (NPA). This NPA was created in exchange for depriving the civil servants the right to strike or engage in wage negotiations. Japan is the only country among the industrialized countries that has a body like this. Actually, the International Labor Organization (ILO) has recommended repeatedly that the NPA should be abolished and civil servants given the right to strike.

However, Rengo (Japanese Trade Union Confederation), with the Government and Public Workers' Union under it, does not want to lose the NPA as the price for giving up the right to strike. This is because under the current system the wages of civil servants are increased to levels on par with the private sector without their having to do anything, so this is a perfect system for them. This system will also make local autonomy - another policy goal of the DPJ - difficult to accomplish.

Rengo, which does not want to give up its vested interests, and the NPA are actually working together behind the scenes to emasculate and fudge civil service reform. NPA President Masahito Tani even boycotted the final meeting on reform measures presided over by Prime Minister Taro Aso.

The DPJ is planning to create a "national strategy bureau" directly under the prime minister which will be responsible for deciding on the outline of the budget. "Cabinet committees" will be formed for each major policy issue. The party also plans to set up an "administrative reform council." However, some party officials in charge of administrative reform are already saying at this early stage that it is better not to come into conflict with the bureaucrats, get along with the Ministry of Finance, and coexist nicely with Rengo.

There is no lack of ways to find fault with the DPJ's policies, not only in foreign affairs and security, but also in domestic politics. However, the important thing is that Japan needs to get itself onto the right path toward a parliamentary democracy.

The DPJ should bear in mind that the verdict on its administration will depend on the first three months. It is important that the party stands firm on its principles.

(3) Comparing manifestos: 1,000 SDF personnel deployed overseas

TOKYO SHIMBUN (Page 1) (Full)
August 26, 2007

Nearly 1,000 Self-Defense Force (SDF) personnel are now deployed abroad. About 350 of the 1,000 personnel are engaged in the refueling of U.S. and other countries' warships in the Indian Ocean and about 400 are protecting ships of any nationality from pirate

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attacks in waters off Somalia. Approximately 150 Ground Self-Defense deployed in the Republic of Djibouti monitor pirates by patrol

aircraft.

The government believes the overseas deployment of as many as 1,000 SDF personnel serves Japan's national interest. It is especially conscious of the United States and believes that strengthening the Japan-U.S. alliance is necessary to stave off the threat of North Korea.

The refueling mission in the Indian Ocean began in conjunction with the U.S. invasion of Afghanistan in response to terrorist attacks against America. Through July 2009, Japan has provided 12 countries with 510,000 kiloliters of fuel worth 24 billion yen free of charge.

Although antipiracy operations in waters off Somalia are to protect security in the Gulf of Aden, a commercial artery for Japan, it is true that Tokyo fell into step with Washington.

The antipiracy mission has often been criticized as lacking transparency. In 2007, it was discovered that the government had covered up an error in the amount of fuel Japan had supplied to U.S. ships. There still remains the allegation that fuel was rerouted to an Iraq-bound U.S. aircraft carrier and thereby diverted for the war. Originally the government sent escort ships to waters off Somalia by stretching the interpretation of the maritime-policing-action provision of the SDF Law beyond its original scope.

Against the background of the inauguration of the Obama administration, what sort of relationship will Japan build with America? What will become of the expanding role of the SDF overseas? These are issues for Japan as a member of the international community.

The Liberal Democratic Party (LDP) has called for continuing the refueling mission in the Indian Ocean. It has also taken steps to gain approval of collective self-defense, prohibited by the Constitution, to strengthen the Japan-U.S. alliance. The Democratic Party of Japan has advocated building an equal Japan-U.S. alliance relationship. It does not plan to extend the refueling mission beyond next January.

(4) Sustainability of economic systems, equal Japan-U.S. relationship cited as issues for new administration

MAINICHI (Page 9) (Full)
August 26, 2009

Atsuro Kurashige, commentary writer

Newspapers are wicked. Their opinion polls predict that the Democratic Party of Japan (DPJ) will win 300 seats, and this information is being circulated as if it's a fact. The voters may decide to adjust their voting behavior to prevent the DPJ from "winning too much," but the overall situation will not change. We should rather be thinking about what will happen after the election.

My image of the probable outcome of the August 30 election is a belated change of administration. The reason is that the present

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single-seat-district-centered election system was introduced in 1996 to facilitate the creation of two major parties between which power alternates. By reducing the winner of the most number of votes in each electoral district to one, the system is supposed to enhance and reinforce the popular will at a given time. The election called by Prime Minister Junichiro Koizumi in 2005 over postal privatization is an example of an election reinforcing the administration.

The problem is not only in the election system. The *raison d'être* and governing ability of the Liberal Democratic Party (LDP) as a ruling party embracing a policy of anti-communism and high economic growth has declined. Personally, I believe that the LDP's historical mission ended after the end of the Cold War and the bursting of the

economic bubble in 1990.

In fact, the non-LDP administration of Morihiro Hosokawa came into being in 1993, and even after the LDP's return to power, it has been able to win only around 230 seats (239 in 1996, 233 in 2000, and 237 in 2003) - failing to win a majority of seats - in all subsequent House of Representatives elections, except for the 2005 election over postal privatization. The secret of its hanging on to power lies in co-opting the Diet seats and votes of New Komeito and its knowhow in staging "quasi change of administration" by rotating power amongst its own people. This mechanism fell apart with the turnover of the premiership three times in a row in the three years after the Koizumi administration. The "DNA relay" of passing the administration from the grandson of a former prime minister to a son of a former prime minister, and then to another grandson of a former prime minister exposed the shortage of talent in the party.

The DPJ's ability to improve its governing ability both in terms of policy and personnel is also a major factor. Its present manifesto is particularly well written. I do not think the proposal to pay out 5 trillion yen worth of child allowance is pork barrel. This is a policy that responds to a graying society with a low birth rate by focusing the distribution of the limited resources on child rearing. It is a good policy based on choice and focus. The same is true of income subsidies for farming households, toll free expressways, and free high school education. The idea of making payments directly to the people without channeling through the various bodies serving as employers of retired bureaucrats is a sound one. Since the DPJ is saying that the 17 trillion yen needed to implement all these policies can be funded by eliminating wasteful spending under the system of bureaucratic accounting, well, let's see how it works.

What is happening is just a natural consequence of the guidance provided by the election system and the rise and fall of the LDP and the DPJ. This should not come as a surprise because a change of administration through elections is a normal feature of a democratic state.

What we need to give serious thought to is how to make this change of administration successful from a level-headed and mature viewpoint. Let us recall the Hosokawa administration 16 years ago which demised in less than one year. This administration made two fatal mistakes. First, its setting of the political agenda (the proposal on national welfare tax and so forth) after the long-cherished dream of election system reform was fulfilled was not well thought out. There was a dual structure of power under which Ichiro Ozawa (then leader of the defunct Shinseito) was more powerful than Prime Minister Hosokawa, and this gave rise to

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confusion.

The present situation is similar to the dual power structure in 1993. Some 100 "Ozawa children" will be born after the Lower House election. Ozawa will again be increasing the number of Diet members under his influence in the House of Councillors election next year since he will preside over the campaign. The question is whether Ozawa, who will control a majority in both houses of the Diet, will be stupid enough to repeat the same mistake.

In any case, the beauty of a change of political regime lies in the opportunity to set the mid- and long-term policy agenda for issues that can only be resolved by a political decision which previous administrations failed to tackle and in implementing this agenda. I would like to cite two examples here for which the DPJ manifesto has already proposed a clear policy direction.

First, making the economic systems sustainable. Japan's economic development model of depreciation of the yen, reliance on foreign demand, and focusing on growth is facing a formidable wall due to the rise of the newly emerging economies and such constraints as the earth environment and energy. How do you foster a sense of happiness not reliant on the size of the GDP by taking advantage of the strong yen and propelling domestic demand proficiently? Making the social security systems sustainable will also be a tremendous job. Even a child can figure out that the present systems will collapse as the

society moves from one where 10 working-age citizens support one elderly person to one where three working-age citizens support one elderly person. This will be a rare opportunity for the ruling and opposition parties to engage in patient discussions under the DPJ's leadership.

Second, developing an equal Japan-U.S. relationship. Former Prime Minister Shigeru Yoshida's policy of entrusting foreign and security policies to the United States and focusing on economic development has produced an unprecedented success story of rapid economic growth in the world. However, it is also a fact that this has seriously degraded Japan's independence as a country. There needs to be a review to find a good balance. So, what is to be done? The key issues will be how to handle U.S. military bases in Japan and enhancing Japan's diplomatic capability. Numerous issues that are already in progress, including the nuclear umbrella and Futenma relocation, need to be tackled, but I believe the key concept of a "close and equal relationship" with the U.S. is valid. The new administration may need wisdom and energy comparable to that during the Meiji Restoration and the postwar reconstruction.

I would like to add one item not found in the manifesto: the regeneration of the LDP and a new start for this party. This is also indispensable for educating and disciplining the DPJ administration. How do we retain a core cadre of people for this purpose? This is another job for the voters.

(5) MAFF to lift ban on investment in agricultural production corporations by investment funds

SANKEI (Page 3) (Abridged slightly)
August 27, 2009

The Ministry of Agriculture, Forestry and Fisheries (MAFF) on August 26 decided to set up a new system that will approve investment in agricultural production corporations by investment funds. Currently,

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only farmers and agriculture-related companies can invest in such corporations. MAFF aims to diversify means to procure funds available to agricultural production corporations in order to help them expand their business activities and advance into new businesses, by enabling banks, security houses, and institutional investors to invest in them through investment funds.

MAFF will incorporate in its general-account budget requests for fiscal 2010 to be submitted to the Finance Minister on August 31 a proposal for establishing an investment fund using Japan Finance Corporation's funds as a model case, and submit related bills needed to set up such a system to the regular session of the Diet next year.

Agricultural production corporations are expected to play the role of strengthening the competitiveness of Japanese agriculture by urging farm households to expand their farming scale or companies to advance into the farm sector. However, investors in such corporations are limited due to the requirements for establishment stipulated under the Agricultural Land Act. In addition, if such corporations do business using rented farmland, they are unable to borrow money from banks as they have no collateral. As such, the means available to them for raising funds are extremely limited. For this reason, MAFF has determined that it is necessary to pave the way for direct investment in them through investment funds.

Under the envisaged system, investment funds will not be given a voting right, which allows investors to become involved in management. However, there will be no limit to the amount of money they can invest. MAFF will also look into measures to curb investment funds' activities, by obligating them to notify it of their activities. It will also launch an investment fund as a model case by fiscal 2010 using Japan Finance Corporation's funds as a base and publicly seeking investors from the private sector.

(6) Editorial: DPJ pledge on Japan-U.S. FTA; Find ways to materialize pact with rice export in mind

Free trade agreement (FTA) policy is a major campaign issue in the Lower House election. The Democratic Party of Japan (DPJ) at first noted in its manifesto that if it came into power, it wanted to sign an FTA with the U.S. and promote liberalization of trade and investment. However, meeting opposition from agricultural organizations and criticism from Liberal Democratic Party (LDP) lawmakers that such a pact would destroy Japanese agriculture and farming communities, the DPJ has changed the wording to "will promote talks on such a pact."

If this is its stance, it cannot be helped even if it is criticized as running about in confusion in pursuit of votes. How is it going to ensure consistency between trade policy and agricultural administration? It is clear from its haphazard approach that the DPJ has yet to sort out its stance to such essential issues.

Japanese business circles have been wanting to bring about an FTA with the U.S. In particular, export-oriented industries are concerned that they would suffer a setback in price competition, since South Korea has already signed such a pact with the U.S.

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The U.S. is bound to ask for the total abolition of trade tariffs as a condition for entering into FTA talks. South Korea has agreed to scrap tariffs on more than 99 percent of trade items. Given the U.S.-South Korean FTA, Japan would have to decide on extensive agricultural and livestock market liberalization, if it is to sign such an accord with the U.S. The government therefore has been reluctant to go ahead with FTA talks with the U.S.

However, agriculture should not remain an obstacle to trade talks forever. The LDP's manifesto also notes that it will proactively pursue an early settlement of talks at the World Trade Organization (WTO) and FTA talks. The DPJ has pledged to sign an FTA with the U.S., which could trigger moves to launch in-depth discussions on trade liberalization and the protection of agriculture, issues that have thus far been considered taboo.

The focus of argument is to settle such problems as abandoned farming land, the aging of a farming population and a serious lack of young farmers to work the fields when their elders retire. It is possible to export Japan's good farm products, such as rice and apples, if Japanese farmers improve their competitiveness, by finding ways to improve production efficiency.

However, implementing policies is intertwined with ensuring funding sources. The DPJ has pledged to compensate farm households' income to cover losses incurred by farmers due to gaps between the cost of the cultivation of rice and other crops and the sales prices of such, after setting a goal of production volume. However, there is concern that such a cost could increase unlimitedly, depending on movements of the prices of agricultural products.

Free trade is the basis of growth, and the WTO and the FTA are a means to achieve that end. As such, it is not wise for Japan to put on hold these issues. A trade strategy, which is linked to the planning of agricultural revitalization as a set, is a key issue, which the next administration cannot avoid.

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